

Annual General Meeting of
Henkel AG & Co. KGaA on April 11, 2011

**Explanations of the rights of shareholders
pursuant to Clause 121 (3) sentence 3 no. 3
of the German Stock Corporation Act [AktG]**



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The notice of convocation of the Annual General Meeting (AGM) contains in section II information pursuant to Clause 121 (3) sentence 3 no. 3 AktG; the following information therefore serves to further explain these provisions.

1. Additional agenda item proposals requested by a minority (Clause 122 (2) AktG)

Shareholders, i.e. ordinary and/or preferred shareholders, whose shareholdings together equate to one twentieth of the capital stock or a proportional share of the capital stock equivalent to 500,000 euros – corresponding to 500,000 ordinary and/or preferred shares or a combination of the two classes – can request that items be included on the agenda and announced accordingly. Each new item must be accompanied by a justification or a formulated resolution. Clause 142 (2) sentence 2 AktG, according to which motion proposers are required to provide proof that they have been in possession of the shares for at least three months prior to the date of the AGM and that they have held the shares up to the date of the decision on their motion, applies accordingly. The prevailing opinion is that this means motion proposers shall be required to verify that they have been holders of the shares for at least three months prior to the date of the request and that they will keep the shares until the decision on their request has been made. A corresponding confirmation from the depositary bank is sufficient validation of compliance with such prerequisites.

Such supplementary motions together with the justification or a formulated resolution and validation of shareholdings and periods of possession must be received by the company at least 30 days prior to the Annual General Meeting. The date of the AGM and the date of receipt are not included in the time limit, which means that the item must arrive by the end of **March 11, 2011** (24:00 hours). Shareholders are asked to use the address indicated in the Notice of Convocation.

Where the supplementary motions received in good time require publication, they will – unless already announced in the Notice of Convocation – be announced immediately on receipt of the request in the same way as in the case of the Notice of Convocation, i.e. they will be published in the Electronic Federal Gazette and sent to those media likely and able to broadcast and disseminate the information on a Europe-wide basis. They will also be made available on the Corporation's website and notified to shareholders together with the Notice of Convocation of the AGM in accordance with Clause 125 (1) sentence 3 AktG.

2. Motions and election nominations submitted by shareholders (Clause 126 (1) and Clause 127 AktG)

Shareholders, i.e. holders of ordinary and/or preferred shares, can submit countermotions in relation to proposals submitted by the Personally Liable Partner and/or Supervisory Board or Shareholders' Committee on individual agenda items, and may also submit nominations for the elections on the agenda (Clause 126 and Clause 127 AktG).

Where countermotions and nominations for election must be made available by the Corporation, they must arrive with Henkel AG & Co. KGaA at the address given in the Notice of Convocation at least 14 days prior to the AGM, i.e. by the end of **March 27, 2011** (24:00 hours). Countermotions and nominations for election that have been differently addressed will not be made available.

Counter-motions to be made available must be provided with a justification. Election nominations to be available do not need to be justified.

Countermotions by shareholders do not need to be made available

1. where announcement would make the Management Board criminally liable,
2. where the countermotion would lead to a resolution by the AGM which would be contrary to law or infringe the Articles of Association,
3. where the justification is obviously materially incorrect or contains misleading information or defamations/insults,
4. where a countermotion of the shareholder based on the same content and relating to the same issue has already been announced and made available on the occasion of an earlier AGM of the Corporation in accordance with Clause 125 AktG,
5. where the same countermotion of the shareholder, with essentially the same justification, has been announced and made available in the last five years on the occasion of at least two AGMs of the Corporation according to Clause 125 AktG, and, in the AGM, less than a twentieth portion of the capital stock represented voted in favor of said motion,
6. where the shareholder indicates that he or she does not intend to participate in or be represented at the AGM, or
7. where, in the last two years, the shareholder has not proposed, or had proposed by proxy, a motion notified by him or her in two AGMs.

The above restrictions also apply analogously to the announcement of election nominations. Moreover, nominations for the election of Supervisory Board members and auditors do not need to be made available if they do not contain the name, profession and domicile of the proposed candidates, or the company and domicile of legal persons, and, in the case of nominations for the election of Supervisory Board members, details relating to the membership of other statutory supervisory boards and oversight committees. Details of their membership in comparable oversight bodies of commercial companies in Germany and abroad should also be included.

The reasoning/justification behind countermotions and election nominations does not need to be made available if it contains more than a total of 5,000 characters. If several shareholders submit countermotions on the same item for resolution, or if they nominate the same candidate for election, the Management Board may unify the countermotions and election nominations together with their justifications.

3. Information rights pursuant to Clause 131 (1) and Clause 293g (3) AktG

According to Clause 131 (1) AktG, each shareholder, i.e. whether a holder of ordinary or preferred shares, may in the Annual General Meeting verbally request and require of the Personally Liable Partner that it provide information on Corporation matters, the legal and business relations of the Corporation with affiliated entities, and the position of the Group and of companies included in the consolidated financial statements, where such information is necessary in appraising an item on the agenda and there is no valid right of refusal to provide such information.

Moreover, pursuant to Clause 293g (3) AktG, each shareholder shall, on request be provided in the Annual General Meeting with information on all affairs and matters pertaining to subsidiaries that are or may be material to any change in the control and profit and loss transfer agreements relating to same.

The Management Board may refuse to provide information

1. where provision of such information may, based on reasonable and prudent business judgment, substantially disadvantage the Corporation or an affiliated company,
2. where it relates to tax assessments or the level of individual taxes,

3. where the Management Board would incur a penalty by divulging the information,
4. where the information has been available on the Corporation's website for at least seven days prior to commencement of the AGM and is available in the AGM.

The provision of information may not be refused for any other reason.

If a person in his or her capacity as a shareholder has been provided with information outside the AGM, this information must also be provided to every other shareholder if so requested within the AGM, even if it is not necessary for the objective appraisal of an agenda item. In this case, the Management Board may also not refuse to provide said information on the basis of reasons 1 and 2 above. If a shareholder is refused information, he or she may demand that his or her question and the reason for which information was refused be recorded in the notarized record of the proceedings.

Pursuant to Clause 131 (2) sentence 4 AktG in conjunction with Article 23 (2) sentences 3 and 4 of the Corporation's Articles of Association, the Chairperson of the Annual General Meeting may place a reasonable time limit on the right of shareholders to speak and ask questions.

The full wording of the relevant regulations of the German Stock Corporation Act can be found on the internet under www.gesetze-im-internet.de/aktg/ (in German only).

Düsseldorf, February 2011

Yours faithfully,

Henkel AG & Co. KGaA



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